



CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed December 16, 2021


United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Reorganized Debtor.

MARC S. KIRSCHNER, AS LITIGATION TRUSTEE
OF THE LITIGATION SUB-TRUST,

Plaintiff,

v.

JAMES D. DONDERO; MARK A. OKADA; SCOTT
ELLINGTON; ISAAC LEVENTON; GRANT JAMES
SCOTT III; FRANK WATERHOUSE; STRAND
ADVISORS, INC.; NEXPOINT ADVISORS, L.P.;
HIGHLAND CAPITAL MANAGEMENT FUND
ADVISORS, L.P.; DUGABOY INVESTMENT TRUST
AND NANCY DONDERO, AS TRUSTEE OF

Chapter 11

Case No. 19-34054-sgj11

Adv. Pro. No. 21-03076-sgj

¹ The last four digits of the Reorganized Debtor's taxpayer identification number are (8357). The Reorganized Debtor is a Delaware limited partnership. The Reorganized Debtor's headquarters and service address are 100 Crescent Court, Suite 1850, Dallas, TX 75201.

DUGABOY INVESTMENT TRUST; GET GOOD TRUST AND GRANT JAMES SCOTT III, AS TRUSTEE OF GET GOOD TRUST; HUNTER MOUNTAIN INVESTMENT TRUST; MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #1 AND LAWRENCE TONOMURA AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #1; MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #2 AND LAWRENCE TONOMURA IN HIS CAPACITY AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #2; CLO HOLDCO, LTD.; CHARITABLE DAF HOLDCO, LTD.; CHARITABLE DAF FUND, LP.; HIGHLAND DALLAS FOUNDATION; RAND PE FUND I, LP, SERIES 1; MASSAND CAPITAL, LLC; MASSAND CAPITAL, INC.; SAS ASSET RECOVERY, LTD.; AND CPCM, LLC,

Defendants.

**ORDER APPROVING STIPULATION AND PROPOSED INITIAL RESPONSE AND
BRIEFING SCHEDULE**

Upon consideration of the *Stipulation and Proposed Initial Response and Briefing Schedule* [Docket No. 20] (the “Initial Response and Briefing Stipulation”),² by and among Marc S. Kirschner, as Litigation Trustee of the Litigation Sub-Trust (the “Trustee”), and James D. Dondero; Mark A. Okada; Scott Ellington; Isaac Leventon; Grant James Scott III; Frank Waterhouse; Strand Advisors, Inc.; NexPoint Advisors, L.P. Highland Capital Management Fund Advisors, L.P.; Dugaboy Investment Trust and Nancy Dondero, as Trustee of Dugaboy Investment Trust; Get Good Trust and Grant James Scott III, As Trustee of Get Good Trust; Hunter Mountain Investment Trust; Mark & Pamela Okada Family Trust – Exempt Trust #1 and Lawrence Tonomura, as Trustee of Mark & Pamela Okada Family Trust – Exempt Trust #1; Mark & Pamela Okada Family Trust – Exempt Trust #2 and Lawrence Tonomura, as Trustee of Mark & Pamela

² Capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Stipulation.

Okada Family Trust – Exempt Trust #2; CLO Holdco, Ltd.; Charitable DAF Holdco, Ltd.; Charitable DAF Fund, L.P.; Highland Dallas Foundation; Rand PE Fund I, LP, Series 1; Massand Capital, LLC; Massand Capital, Inc.; and CPCM, LLC (each, a “Defendant” and collectively, the “Defendants,” and with the Trustee, the “Parties”), it is **HEREBY ORDERED THAT:**

1. This Initial Response and Briefing Stipulation, a copy of which is attached hereto as **Exhibit A**, is **APPROVED**.

2. The Initial Response and Briefing Stipulation shall become effective immediately upon entry of this Order.

3. The Parties shall adhere to the following deadlines, as set forth in the Initial Response and Briefing Stipulation.

| Event | Deadline |
|--|-------------------|
| Deadline for each Defendant to answer or otherwise move against the Complaint shall be February 21, 2022 | February 21, 2022 |
| Deadline for the Trustee to file an opposition to any motion filed by the Defendant(s) in response to the Complaint | June 21, 2022 |
| Deadline for each Defendant to file a reply to the Trustee’s filing in opposition to any motion filed by Defendant(s) in response to the Complaint | August 15, 2022 |

4. Plaintiff shall be permitted to amend his complaint as a matter of course under Fed. R. Civ. P. 15 and Fed. R. Bankr. P. 7015 on or prior to April 19, 2022. In the event that Plaintiff amends his complaint pursuant to this provision, the Parties will negotiate in good faith regarding a schedule for answers to and motions to dismiss the amended complaint that is commensurate in scope with the amendment; provided, however, that Defendants shall be afforded at least 45 days to answer or otherwise move against the amended complaint.

5. The deadlines set forth in the Initial Response and Briefing Stipulation shall only be modified in a writing signed by the Parties or upon the entry of an order of the Court entered upon notice to the Parties.

6. The Court shall retain jurisdiction over all disputes arising out of or otherwise concerning the interpretation and enforcement of the Initial Response and Briefing Stipulation and this Order.

###End of Order###

EXHIBIT A

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,¹

Reorganized Debtor.

MARC S. KIRSCHNER, AS LITIGATION TRUSTEE
OF THE LITIGATION SUB-TRUST,

Plaintiff,

v.

JAMES D. DONDERO; MARK A. OKADA; SCOTT ELLINGTON; ISAAC LEVENTON; GRANT JAMES SCOTT III; FRANK WATERHOUSE; STRAND ADVISORS, INC.; NEXPOINT ADVISORS, L.P.; HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.; DUGABOY INVESTMENT TRUST AND NANCY DONDERO, AS TRUSTEE OF DUGABOY INVESTMENT TRUST; GET GOOD TRUST AND GRANT JAMES SCOTT III, AS TRUSTEE OF GET GOOD TRUST; HUNTER MOUNTAIN INVESTMENT TRUST; MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #1 AND LAWRENCE TONOMURA AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #1; MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #2 AND LAWRENCE TONOMURA IN HIS CAPACITY AS TRUSTEE OF MARK & PAMELA OKADA FAMILY TRUST – EXEMPT TRUST #2; CLO HOLDCO, LTD.; CHARITABLE DAF HOLDCO, LTD.; CHARITABLE DAF FUND, LP.; HIGHLAND DALLAS FOUNDATION; RAND PE FUND I, LP, SERIES 1; MASSAND CAPITAL, LLC; MASSAND CAPITAL, INC.; SAS ASSET RECOVERY, LTD.; AND CPCM, LLC,

Defendants.

Chapter 11

Case No. 19-34054-sgj11

Adv. Pro. No. 21-03076-sgj

STIPULATION AND PROPOSED
INITIAL RESPONSE AND
BRIEFING SCHEDULING ORDER

¹ The last four digits of the Reorganized Debtor's taxpayer identification number are (8357). The Reorganized Debtor is a Delaware limited partnership. The Reorganized Debtor's headquarters and service address are 100 Crescent Court, Suite 1850, Dallas, TX 75201.



STIPULATION AND PROPOSED INITIAL RESPONSE AND BRIEFING SCHEDULE

This stipulation and initial response and briefing schedule (the “Stipulation”) is made and entered into, subject to Court approval, in the above-captioned adversary proceeding (the “Adversary Proceeding”) by and among Marc S. Kirschner, as Litigation Trustee of the Litigation Sub-Trust (the “Trustee”), and James D. Dondero; Mark A. Okada; Scott Ellington; Isaac Leventon; Grant James Scott III; Frank Waterhouse; Strand Advisors, Inc.; NexPoint Advisors, L.P. Highland Capital Management Fund Advisors, L.P.; Dugaboy Investment Trust and Nancy Dondero, as Trustee of Dugaboy Investment Trust; Get Good Trust and Grant James Scott III, As Trustee of Get Good Trust; Hunter Mountain Investment Trust; Mark & Pamela Okada Family Trust – Exempt Trust #1 and Lawrence Tonomura, as Trustee of Mark & Pamela Okada Family Trust – Exempt Trust #1; Mark & Pamela Okada Family Trust – Exempt Trust #2 and Lawrence Tonomura, as Trustee of Mark & Pamela Okada Family Trust – Exempt Trust #2; CLO Holdco, Ltd.; Charitable DAF Holdco, Ltd.; Charitable DAF Fund, L.P.; Highland Dallas Foundation; Rand PE Fund I, LP, Series 1; Massand Capital, LLC; Massand Capital, Inc.; and CPCM, LLC (each, a “Defendant” and collectively, the “Defendants,” and with the Trustee, the “Parties”), by and through their respective undersigned counsel.² In support of the Stipulation, the Parties respectfully state as follows:

WHEREAS, on October 16, 2019, Highland Capital Management, L.P. (“HCMLP”), filed a voluntary petition for relief under title 11 of the United States Code with the United States Bankruptcy Court for the District of Delaware. The case was subsequently transferred to the Bankruptcy Court for the Northern District of Texas, Dallas Division and captioned *In re Highland Capital Management, L.P.*, Case No. 19-34054-sgj11;

² This Stipulation is entered into without waiver of each Defendant’s right to challenge the basis for jurisdiction of the court in this case.

WHEREAS, on February 22, 2021, the Court confirmed HCMLP's *Fifth Amended Plan of Reorganization* [Docket No. 1943] (the "Plan") which, among other things, established the Litigation Sub-Trust (as defined in the Plan) for the benefit of the Claimant Trust Beneficiaries (as defined in the Plan).

WHEREAS, on October 15, 2021, the Trustee commenced the Adversary Proceeding by filing a complaint against Defendants [Docket No. 1] (the "Complaint");

WHEREAS, on October 18, 2021, the Clerk of Court for the United States Bankruptcy Court for the Northern District of Texas issued the *Summons In An Adversary Proceeding* (the "Summons") [Docket No. 3];

WHEREAS, on October 18, 2021, the Court entered the *Order Regarding Adversary Proceedings Trial Setting and Alternative Scheduling Order* (the "Order") [Docket No. 4] which, among other things, sets forth an Alternative Scheduling Order (the "Alternative Scheduling Order") that applies to the Adversary Proceeding "[i]f the [P]arties do not submit a proposed scheduling order or do not schedule a status conference with the Court to discuss the provisions and deadlines of a scheduling order within forty-five days of the filing of this [A]dversary [P]roceeding";

WHEREAS, the Parties have met and conferred as to an initial briefing schedule in the event that any party moves to dismiss the complaint, and have mutually agreed to the schedule as set forth below;

NOW, THEREFORE, it is hereby stipulated and agreed, and upon approval by the Court it shall be **SO ORDERED**:

1. Acceptance of Service. Each Defendant agrees that its undersigned counsel has accepted service of the Complaint and Summons on its behalf, and that it will not assert a defense

to the Complaint of insufficient service of process pursuant to Federal Rule of Civil Procedure 12(b)(5) made applicable hereto by Federal Rule of Bankruptcy Procedure 7012.

2. Applicability. This Stipulation shall apply to all Defendants, irrespective of whether the Complaint and Summons was previously served on any Defendant, or are subsequently served on any Defendant, whether in accordance with Federal Rule of Civil Procedure 4, by means of voluntary waiver or acceptance of service, or otherwise.

3. Time to Respond to Complaint and Initial Briefing Schedule. The Parties agree to the following deadlines in connection with the Defendants' responses to the Complaint:

- a. The deadline for each Defendant to answer or otherwise move against the Complaint shall be February 21, 2022 (the "Initial Response Deadline").³
- b. The deadline for the Trustee to file an opposition to any motion filed by the Defendant(s) in response to the Complaint shall be June 21, 2022;
- c. The deadline for each Defendant to file a reply to the Trustee's filing in opposition to any motion filed by Defendant(s) in response to the Complaint shall be August 15, 2022.

4. Potential Amended Complaint. Plaintiff shall be permitted to amend his complaint as a matter of course under Fed. R. Civ. P. 15 and Fed. R. Bankr. P. 7015 on or prior to April 19, 2022. In the event that Plaintiff amends his complaint pursuant to this provision, the Parties will negotiate in good faith regarding a schedule for answers to and motions to dismiss the amended complaint that is commensurate in scope with the amendment; provided, however, that Defendants shall be afforded at least 45 days to answer or otherwise move against the amended complaint. Consent to amendment under Rule 15(a) is without prejudice to the Parties' positions with respect to the effect of such amendment under Rule 15(c), all of which are expressly preserved.

³ For the avoidance of doubt, February 21, 2022 shall be the deadline for any Defendant to file a motion under Fed. R. Civ. P. 12, made applicable to this adversary proceeding under Fed. R. Bankr. P. 7012, irrespective of whether any Defendant files any other motion in response to the Complaint.

5. Proposed Scheduling Order. The Parties agree to meet and confer promptly regarding a broader proposed scheduling order in lieu of the Alternative Scheduling Order.

Dated: November 16, 2021

Respectfully submitted,

SIDLEY AUSTIN LLP

/s/ Paige Holden Montgomery
Paige Holden Montgomery
Juliana L. Hoffman
2021 McKinney Avenue, Suite 2000
Dallas, Texas 74201
Telephone: (214) 981-3300
Facsimile: (214) 981-3400

-and-

**QUINN EMANUEL URQUHART &
SULLIVAN LLP**

Susheel Kirpalani (admitted *pro hac vice*)
Deborah J. Newman (admitted *pro hac vice*)
Robert Loigman (admitted *pro hac vice*)
Benjamin I. Finestone (admitted *pro hac vice*)
Jordan Harap (admitted *pro hac vice*)
Alexandre J. Tschumi (admitted *pro hac vice*)
51 Madison Avenue, 22nd Floor
New York, NY 10010
Telephone: (212) 849-7000

*Counsel for the Marc. S. Kirschner, as
Litigation Trustee of the Highland Litigation
Sub-Trust*

KANE RUSSELL COLEMAN LOGAN PC

/s/ Brian W. Clark
John J. Kane
Brian W. Clark
901 Main Street, Suite 5200
Dallas, Texas 75202
Telephone: (214) 777-4200
Facsimile: (214) 777-4299

Counsel for Defendant Grant James Scott III

**BONDS ELLIS EPPICH SCHAFFER
JONES LLP**

/s/ Clay Taylor

Clay Taylor
Bryan C. Assink
420 Throckmorton Street, Suite 1000
Fort Worth, Texas 76102
Telephone: (817) 405-6900
Facsimile: (817) 405-6902

Counsel for Defendant James Dondero

KELLY HART PITRE

/s/ Louis M. Phillips

Louis M. Phillips
One American Place
301 Main Street, Suite 1600
Baton Rouge, LA 70801
Telephone: (225) 381-9643
Facsimile: (225) 336-9763

and

Amelia L. Hurt
400 Poydras Street, Suite 1812
New Orleans, LA 70130
Telephone: (504) 522-1812
Facsimile: (504) 522-1813

and

KELLY HART & HALLMAN

Hugh G. Connor II
Michael D. Anderson
Katherine T. Hopkins
201 Main Street, Suite 2500
Fort Worth, Texas 76102
Telephone: (817) 332-2500
Facsimile: (817) 878-9280

*Counsel for Defendants CLO Holdco, Ltd.,
Highland Dallas Foundation, Inc., Charitable*

DAF Fund, LP, and Charitable DAF Holdco, Ltd.

HELLER, DRAPER & HORN, L.L.C.

/s/ Douglas S. Draper

Douglas S. Draper
650 Poydras Street, Suite 2500
New Orleans, LA 70130
Telephone: (504) 299-3300
Facsimile: (504) 299-3399

*Counsel for The Dugaboy Investment Trust
and Get Good Trust*

STINSON L.L.P.

/s/ Deborah Deitsch-Perez

Deborah Deitsch-Perez
3102 Oak Lawn Avenue, Suite 777
Dallas, Texas 75219
Telephone: (214) 560-2201
Facsimile: (214) 560-2203

Counsel for The Dugaboy Investment Trust

DLA PIPER LLP

/s/ Amy Ruhland

Amy L. Ruhland
303 Colorado Street, Suite 3000
Austin, Texas 78701
Telephone: (512) 457-7000
Facsimile: (512) 457-7001

*Counsel for Highland Capital Management
Fund Advisors, L.P., James D. Dondero,
NexPoint Advisors, L.P., Strand Advisors,
Inc., The Dugaboy Investment Trust
and The Get Good Trust*

ROSS & SMITH, PC

/s/ Frances A. Smith

Judith W. Ross
Frances A. Smith
Eric Soderlund
700 N. Pearl Street, Suite 1610
Dallas, Texas 75201
Telephone: 214-377-7879
Facsimile: 214-377-9409

and

BAKER & MCKENZIE LLP

/s/ Debra A. Dandeneau

Michelle Hartmann
1900 North Pearl, Suite 1500
Dallas, Texas 75201
Telephone: 214-978-3000
Facsimile: 214-978-3099

and

Debra A. Dandeneau
452 Fifth Ave
New York, NY 10018
Telephone: 212-626-4875

*Counsel for Scott Ellington, Isaac Leventon,
Frank Waterhouse, and CPCM, LLC*

MUNSCH HARDT KOPF & HARR, PC

/s/ Davor Rukavina

Davor Rukavina
Julian P. Vasek
500 N. Akard Street, Suite 3800
Dallas, Texas 75202-2790
Telephone: (214) 855-7500
Facsimile: (214) 978-4375

*Counsel for NexPoint Advisors, LP and
Highland Capital Management Fund
Advisors, LP*

ROCHELLE MCCULLOUGH LLP

/s/ E.P. Keiffer

E.P. Keiffer
325 North St. Paul Street, Suite 4500
Dallas, Texas 75201
Telephone: (214) 580-2525
Facsimile: (214) 953-0185

*Counsel for Hunter Mountain Investment
Trust and Rand PE Fund I, LP, Series I*

BROWN FOX PLLC

/s/ Brian D. Glueckstein

Cortney C. Thomas
8111 Preston Road, Suite 300
Dallas, Texas 75225
Telephone: (214) 327-5000
Facsimile: (214) 327-5001

and

SULLIVAN & CROMWELL LLP

Brian D. Glueckstein
125 Broad Street
New York, New York 10004
Telephone: (212) 558-4000
Facsimile: (212) 558-3588

*Counsel for Mark Okada, The Mark and
Pamela Okada Family Trust – Exempt Trust
#1, and The Mark and Pamela Okada Family
Trust – Exempt Trust #2*

VANACOUR PERKINS PLLC

/s/ Jason Vanacour

Jason Vanacour

Kevin Perkins

5851 Legacy Circle #600

Plano, TX 75024

Telephone: (972) 865-6033

Facsimile: (972) 476-1109

*Counsel for Massand Capital, Inc. and
Massand Capital, LLC*